



***Statement of The Insurance Association of Connecticut***  
**Labor and Public Employees Committee**

**March 3, 2022**

**HB 5249 - An Act Concerning Noncompete Agreements**

I am Eric George, President of the Insurance Association of Connecticut (IAC). The IAC is a state-based trade association that represents Connecticut's property and casualty insurance industry and Connecticut's life insurance and financial security industries. Among other insurance-related products, IAC members offer (i) home insurance, (ii) auto insurance, (iii) workers' compensation insurance, (iv) liability insurance, (v) group benefits, (vi) life insurance, (vii) annuities, (viii) retirement plans, (ix) long-term care insurance, (x) disability income insurance, and (xi) reinsurance.

The IAC opposes HB 5249. Noncompete agreements provide protection for all businesses that utilize them, including insurance companies, from the loss of trade secrets, emerging technologies, and other confidential and propriety information. These agreements

are already significantly restricted by the courts to balance the interests of employers and employees while ensuring appropriateness of scope, geography, and duration.

Clearly, there are circumstances where such agreements may not be appropriate. However, the new restriction proposed in HB 5249 would remove the protections noncompete agreements provide in circumstances where they are needed most.

HB 5249 also renders void any noncompete agreement where the employment relationship is ended where the employee terminates the employment relationship for good cause. Thus, an employee who mistakenly believes they had good cause to end an employment relationship could cause irreparable economic harm to an employer before a court could validate or invalidate their claim.

Noncompete agreements and exclusivity agreements, provide critical protections for the insurance companies that use them. Again, these agreements are already highly restricted to protect employees and are critical to preventing economic harm caused by the loss of a business' most important assets.

We urge the committee to reject HB 5249. Thank you for considering our remarks.